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Tax Credit Helps Upstate New York High-Tech Manufacturing Industry Innovate, Create Jobs

UTICA, NY -Today, U.S. Rep. Michael A. Arcuri (NY-24) joined representatives from ConMed Corporation and MedTech to highlight the importance of the research and development (R&D) tax credit in encouraging innovations that help American companies remain competitive and spur local job growth. Additionally, Arcuri called for the tax credit, which expired on December 31, 2009, to be made permanent so that companies can continue to invest in research without fear of further expirations or lapses.

"By providing incentives for expanding private sector investments in technology, the R&D tax credit encourages innovation, creates jobs and increasing future economic growth," **said**

Arcuri, a member of the Congressional High Tech Caucus

. "With so many businesses struggling, strengthening and permanently extending the R&D tax credit can provide the certainty they need to continue their research activities-and keep jobs here in Upstate New York."

"We rely on new product innovation to meet the needs of our surgeon and hospital customers," **said Luke A. Pomilio, Vice President, Controller, and Corporate General Manager of ConMed**

. "The decision to make these investments is not always easy, especially in a difficult business environment. We at CONMED applaud Congressman Arcuri's efforts to expand and make permanent the R&D tax credit because it would allow us to plan for R&D spending, expanding our research efforts across the U.S. and in Utica. "

"In the current environment, job creation and economic development are more vital than ever to Upstate New York," **said Heather Erickson, President of MedTech**. "R&D is a key driver for fostering economic growth in high tech companies and the federal R&D tax credit is an invaluable resource for numerous Bio/Med employers in the region. With this federal incentive,

MedTech members can significantly increase their ability to reinvest in the growth of their businesses and their communities. We greatly appreciate Congressman Arcuri's support of this critical R&D tax credit."

The R&D tax credit-officially known as the Research and Experimentation tax credit-reduces a company's federal tax liability based on the money it spends researching and developing new products or improving existing ones. Credit can be taken for such things as salaries and wages, contract research, supplies and patent attorney fees.

The tax credit was created by Congress in 1981 as a temporary measure. It has lapsed on several occasions and been extended 13 times. The most recent credit expired in December 2009, causing unease among companies about whether they should continue current levels of R&D investment. Making the credit permanent would provide a level of certainty to businesses that money they invest in R&D will receive the credit.

In addition to joining the Congressional High Tech Caucus-a bi-partisan group of members committed to expanding incentives that spur innovation, Arcuri has continuously supported efforts to extend and make permanent the R&D tax credit including:

- In 110th Congress, cosponsored the Investment in America Act of 2007 (H.R. 2138), which would permanently extend the R&D tax credit, increase the alternative simplified credit (ASIC) rate from 12 to 20%, and repeal the much more computationally heavy alternative incremental credit (AIRC).
- In 111th Congress, cosponsored H.R. 422, which would extend the R&D tax credit through 2010 and make permanent the alternative simplified research credit.
- **10/1/08:** Voted for the Emergency Economic Stabilization Act of 2008 (H.R. 1424) which extended the R&D tax credit for two years, retroactively to the lapse on December 31, 2007, through 2009.
- **12/9/09:** Managed debate on the rule and voted for the Tax Extenders Act of 2009 (H.R. 4213), which would have extended the R&D tax credit for one year, through 2010.

- **3/2/10:** Co-signed a letter to House Leadership requesting that they work with the White House to swiftly extend and expand incentives to spur innovation and job creation, with a special focus on the R&D tax credit.
- **5/28/10:** Voted for the American Jobs and Closing Tax Loopholes Act of 2010 (H.R. 4213), which would have extended the R&D tax credit, retroactively to the lapse on December 31, 2009, through 2010.

Bioscience and medical technology is one of the key industries in New York State, with close to \$9 billion in total economic impact on the state. MedTech is the hub of the bioscience and medical technology industry in Upstate New York. It is an active association of pharmaceutical, biotech and medical technology companies, their suppliers and service providers, and research universities. MedTech has more than 80 member companies that employ more than 67,500 people in New York State (Six member companies that employ more than 1,400 people in New York's 24th Congressional District).

ConMed, a MedTech member based in Utica, NY, is a global medical technology company that specializes in the development and sale of products and services that allow physician customers to deliver high quality care. ConMed expects to spend more than \$30 million on research and development activities in 2010 alone.

Other MedTech member companies located in New York's 24th Congressional District include: Gilroy, Kernan & Gilroy, Inc. in New Hartford; Cayuga Venture Fund, Kensa Group and Vybion in Ithaca; and Norwich Clinical Research Associates in Norwich.

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